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**The impact of the non-financial incentives in employees in the public sector in Norway**

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## Abstract

The focus of organizations is to achieve high productivity. To attain organizational goals, it is imperative for organizations to invest in employees. They are important part of any organization. The employees have to be motivated to perform. In the past, organizations have been using financial rewards; for example, salaries and bonuses to improve employee motivation. However, financial incentives are never enough since employees continue to demand higher salaries and allowances. In the contemporary world of business, the focus is shifted to the use of non-financial incentives. The study investigates the impact of non-financial incentives on the performance of employees in organizations with a focus on the public sector. By use of a quantitative research approach, this study will investigate the importance of non-monetary incentives in the Norwegian government department employees. A total of 100 employees drawn from four departments will be given questionnaires to fill and the data will be analyzed using inferential statistics.

Keywords: non-financial incentives, motivation, employee performance, job satisfaction, Abraham Maslow's Hierarchy of Needs, employee recognition, job security, autonomy, participative decision-making

## Table of Contents

Chapter One: Introduction.....	6
1.2 Background to the Study.....	7
1.3 Statement of the Problem.....	11
1.4 Study Objectives .....	13
1.4.1 Aim .....	13
1.4.2. Objectives.....	13
1.5 Research Questions.....	13
1.6 Significance of the Study .....	14
1.7 Limitations of the Study.....	15
Chapter Two: Literature Review.....	16
2.1 Introduction.....	16
2.2. Theoretical Framework.....	16
2.3 Employee Performance.....	16
2.4 Non-Monetary Incentives .....	18
2.4.1 Abraham Maslow’s Hierarchy of Needs.....	19
2.4.2 Expectancy Theory of Motivation.....	21
2.5 Empirical Review .....	21
2.5.1 Non-Monetary Rewards Influence on Employee Performance .....	22
2.5.2 Autonomy and Performance.....	23
2.5.3 Recognition and Employee Performance .....	25
2.5.4 Participation in Decision-Making and Performance .....	26
2.5.5 Job Security and Employee Performance .....	27
Chapter Three: Methodology.....	29
3.1 Research Design.....	29

3.2 Participants.....	29
3.3 Instrumentation .....	29
3.4 Sampling Methodology .....	30
3.5 Data Analysis .....	30
3.6 Ethical Consideration .....	30
Chapter four: Data analysis .....	31
4.1 General Information .....	31
4.1.1 Gender of Respondents .....	31
4.1.2 Age distribution of study respondents .....	31
4.1.3 Distribution of respondents who have child dependents .....	32
4.1.4 Level of education of study respondents .....	34
4.1.5 Designation of study respondents.....	34
4.1.6 Length of service of study respondents .....	35
4.1.7 Distribution of study respondents by department.....	36
4.1.8 Distribution of study respondents by employment situation .....	36
4.1.9 Distribution of study respondents who had worked elsewhere before .....	37
4.2 Common Method Bias .....	37
4.2.1 Harman’s Single Factor Test .....	38
4.3 Importance of non- financial incentives to study respondents.....	39
4.4 Preferred non-financial incentives by study respondents. ....	41
4.4.1 Factors associated with preference of non-financial incentives.....	42
A. Recognition .....	42
B. Autonomy.....	44
C. Positive Working Environment .....	45
D. Performance Feedback.....	46

	5
E: Flexibility .....	48
F: Decision Making.....	49
G. Respect.....	50
H. Training.....	51
I. Job Security .....	52
4.5 Employee Satisfaction and non-financial incentives.....	53
4.5.1 Employee Satisfaction .....	54
4.5.2 Received non-financial incentives.....	54
4.5.3 Relationship between received non-financial incentives and employee satisfaction .....	55
4.6 Relationship between variables.....	56
4.7. Hypothesis Testing .....	57
4.7.1 Hypothesis 1.....	58
4.7.2 Hypothesis 2.....	58
4.7.3 Hypothesis 3.....	59
Chapter five.....	60
Summary of Findings, Conclusion and Recommendations.....	60
5.1 Introduction.....	60
5.2 Summary of Major Findings and Discussions .....	60
5.2.1 Job Satisfaction.....	60
5.2.2 Preferred non-financial incentives.....	60
5.2.3 Relationship between variables .....	61
5.3 Conclusions and Recommendations.....	61
References .....	63
Appendices .....	72
Appendix One: Questionnaires.....	72

## The Impact of Non-Financial Incentives on Employees in the Norwegian Public Sector

### **Chapter One: Introduction**

The human factor is one of the most significant assets in an organization. The primary goal of the employer should be to enhance the productivity and loyalty of the employees. It is only through happy employees that the organization will achieve its short- and long-term goals (Ijaz, 2013, p. 40). Non-financial incentives are some of the tools used to make the employees happy. This paper will look at the impacts of non-financial incentives on employees in Norway's public sector. Due to financial constraints in various private and public sectors, the best choice to motivate employees is through non-financial incentives that address multiple aspects of employees.

The public sector in Norway has come up with various ways through providing incentives to their federal workers. Workers are provided with pensions, and the second pillar of disability covers most employees (OECD, 2008). The high number of incentives offered to these public workers have a significant impact on their productivity. Workers in Norway work with zeal and confidence in whatever they are doing. This is because they know behind them is a body that cares about them. They are provided with good working conditions. They have an excellent employer-worker relationship, and this gives employers the desire to improve on their performances.

Some of the non –financial incentives provided to the employees in Norway include Autonomy, performance feedback, recognition, training and in most organizations, employees are involved in decision making.

Norway offers a wide range of non-financial incentives, and this encourages workers to remain in the job market for long periods (Aakvik, Dahl, & Vaage, 2005). Non-financial incentives that most significant to the workers is Autonomy. Most people want to set their schedules and working in their convenience. High levels of autonomy tend to create job satisfaction, and many workers prefer this as they wish to remain independent.

Non-financial incentives are associated with various benefits to the organization and the workers. Providing non-financial incentives to workers promotes their confidence and desire to work in that

organization. Workers need motivation, and this increases their overall output. Norway has employed some of these ideas, and they prove to be working in motivating workers to produce their best. A 2004 report by the New Times showed that Norwegians are highly productive when they are working. Norway economy was ranked to be among the most competitive economies worldwide (Alvarez, 2004). It is all down to workers motivation through these incentives.

In conclusion, non-financial incentives are the motivators of workers in an organization. Motivated workers will work with zeal, and they will give the best result. Norway is an example of a country that has started motivating its workers. The results can be seen with the desire many people are showing to remain in the job market despite hitting their retirement age.

## **1.2 Background to the Study**

Recent studies have affirmed the crucial nature of employees in enhancing a company's competitiveness, especially when there are issues of commitment, loyalty, and satisfaction in such an organization (Gabčanová, 2011). Their inputs play significant roles in the outcome of organizational operations. According to Bari, Arif and Shoaib (2013), performance of an organization is always linked to the input of the employees. Nayar (2010) writes about the role of the workers in a work-set up and notes that, while customers determine the level of productivity of an organization, it is the employees who contribute highly to the overall image that a company has in the market. Customers will be attracted to an organization that has quality output in terms of products and services; hence, high productivity. High input of employees equates to high performance of an organization. On the same, if the input of the employees is low, the results are shown in the negative outcome in organizational productivity.

There reason why employees are important in an organization. Ryan (2016) lists five reasons. First, employees influence customer relationships with the organization. Second, employees are crucial in creating a favorable culture in a company which attracts customers. Third, employees are the brains in the organization in which creates a powerful energy and helps in the creation of a customer base. Fourth, employees are the link between the consumer and organizational leadership. Fifth, organizational competitiveness in the market where customers are based is anchored on the performance of employees. In this regard, as summarized by Gabcanova

(2011), employees are the important assets that an organization boosts of. Critical in this analysis by Gabcanova (2011) is that an organization must have loyal, highly-motivated, and satisfied customers. The three values are important in enhancing the competitiveness of a company.

The analysis of Pang and Lu (2018) notes that organizational performance is linked to the employees' job satisfaction levels, their efficiency, and the levels of morale. Varma (2017) and Dobre (2013) add that one of the areas of competition in organizational performance is the nature of employees and their satisfaction levels. Some of the effects of lack of proper job satisfaction include; employee absenteeism, high rate of employee turnover, and overall low input (Dobre 2013). The performance and motivation of employees are, therefore, essential tools for a company's competitiveness and success especially in the long run. Essentially, as analyzed by Varma (2017), in the contemporary business environment, the role of HR has highly been entrenched. The HR department constantly evaluates the performance and motivation levels of employees. The critical role of Human Resource department is to induce morale into the employees.

There is a direct link between motivation and job satisfaction and job performance; where, motivation leads to job satisfaction and which contributes to performance in the workplaces. Revenio (2018) gives an analysis of this correlation and notes that monetary considerations are viewed as a significant motivator for employees and which directly gives impetus to employees improved inputs. However, as written by Wagepoint (2018), motivation is not necessarily linked to monetary gains. This is best analyzed through the Herzberg's motivation theory which rules out pay as the only important motivation element for employees. Essentially, as noted by Wagepoint (2018), elements such as respect in the organizational, recognition, flexibility, availability of opportunities, and rewards play critical roles in the motivation of employees.

The impact of non-financial incentives on employees correlates with the general organizational performance (Jex & Britt, 2014). According to Jex and Britt (2014), both tangible and intangible benefits advanced to employees affects the psychology of the workers, which in turn impacts positively or negatively on their work relationship with the leadership of the organization. For example, an increase in pay can motivate and improve the morale of the employees. Intangible benefits such as good relationship in the organization and respect affect the psychology of employees and positively create motivation to work more. Jex and Britt (2014) list



a number non-financial or intangible incentives that can be advanced to employees to improve their working mentality. They include; status symbols or how the leadership communicates the value or worth of the employees in the organization, social recognition, feedback, and respect among others. These directly impact on the psychology of the employees in working for their company.

Non-financial incentives can be categorized as fringe benefits. Yousaf, Latif, Aslam and Saddiqui (2014) define fringe benefits are benefits that are given to the workforce in an organization in addition to their pay. The motivation of employees is influenced by the presence of fringe benefits. The absence of these valuable motivation factors impedes organizational performance. The presence of fringe benefits creates a motivating and optimistic working environment for employees and are good motivators for increasing input; for example, more sales for employees in the marketing department. The benefits compel the workers to give extra efforts. While a good pay is a catalyst for increasing the input and output of an employee, a fringe benefit compels the employee to put more efforts. Some of the fringe benefits include; meals in the organization, use of company assets such as a car, discounts for employees, and transportation to and from their work places, vacations, various insurance policies, and job design (Yousaf et al., 2014).

In Norway, there are statistics showing the different forms of non-financial rewards that motivate employees in different organizations. According to Eurofound (2016), 73% of the workers in the private sector were motivated by companies offering mobile phones for private use among other electronic equipment. Besides, 55% of employees in the sector worked for organizations providing such non-financial incentives like physiotherapy, gym membership and facilities among other similar facilities. Moreover, extended holidays and holiday accommodation was also a critical non-financial incentive considered by 38% of the workers in Norway's private sector. Lastly, private medical care and childcare benefits were considered by 37% and 1% of the workforce in the country's private sector (Eurofound, 2016).

Eurofound (2016) emphasizes the higher number of employees covered by the performance-related pay (PRP) systems in the private sector compared to their counterparts in the public sector. Notably, only 7% of the employees from the public sector are under the employee reward system compared to the 32% in the private sector (Eurofound, 2016). Such a payment

system encompasses various non-financial incentives highlighted above, including bonuses, making it a larger component in the private sector than the public realm (Eurofound, 2016).

Burgess and Ratto (2003) conducted a research to investigate the need for explicit incentives in the public sector geared towards improving the efficiency of employees in the United Kingdom. The authors note that in the year 1998, the UK government created the Public Services Productivity Panel with the aim of advising the government on how to improve efficiency and productivity in government departments. An important outcome from the panel is that it is critical for government agencies to include non-financial incentives as part of the motivations for employees (Burgess & Ratto, 2003). According to the above-mentioned authors, appropriate levels of non-financial incentives ought to be advanced to the employees as a form of inducing them to perform better.

The study conducted by Eurofound (2016) reiterates the essence and significance of paying employees in kind as a form of non-financial incentives in addition to the regular salaries as a motivational factor in an organization. Notably, the outcome of the above study revealed that 63% of companies in Norway affirm the sentiments echoed in the findings above, by explaining that such an endeavor intended to not only recruit staff but also ensure their retention. The adoption of payment in kind among companies in Norway has since stabilized, particularly a widespread approval in the country between 1990s and early 2000s.

The real motivation drive is captured by the Maslow's Hierarchy of Needs theory that categorizes needs of people into physiological, safety, social, self-esteem, and self-actualization (Anderfuhren-Biget, Varone, Giaque, & Ritz, 2010). Elements such as self-confidence, self-respect, feeling of appreciation, personal worth, self-actualization, and independence ranks above monetary incentives.

In a research study provided in Norway, Kalleberg and Rognes (2000) found out that there are consequences of individual-level relationships about the working of employees in the country. Employees with positive relationships in organizations have better motivation than those with negative relationships. They are also more satisfied and have low employee turnover. Another indirectly used motivator for performance in Norway's government agencies is performance appraisals. According to Vasset, Marnburg and Furunes (2011), in municipal health services,

performance appraisal, though not an incentive compels the workers to work more. Importantly, performance appraisal is linked with higher pay and hence indirectly correlates with motivation.

### **1.3 Statement of the Problem**

The focus in this research study will be on understanding the influences that non-monetary incentives in an organization have on the performances of employees. In addition, the research study will narrow down to the issues related to employees' motivation in workplaces in the public sector in Norway. The choice of this focus is in recognition that problems of employees' motivation are rampant in the public sector as compared in the private sector. As written by Re'em (2011), there are differences between private and public sector concerning motivation of employees. The author notes that people who opt for the public sector are driven by the need to serve public interests; for example, provision of quality health care and general government delivery of crucial services.

In the private sector, employees may be driven by self-development, including, the need to achieve career goals and improve on the public status. However, as written by Re'em (2011), despite the interest to service the public, employees in the public sector are assumed to be lowly motivated than those in the private sector. This assumption is corroborated by the Public Service Motivation (PSM) theory. Leisink, Knies and Loon (2018) define the PSM theory as the orientation that employees in the public sector have in delivering the services to the people with a view to doing good to the society and for others. In this assumption, employees in the public sector are geared towards achieving the government goal in the specific sector they serve in; for example, education and health. In this regard, therefore, issues such as intrinsic motivation values; for example, achievement of personal goals, fairness, ethical standards, experience, and team spirit, though desired, may be absent or not practiced in the organizations. On the other hand, employees in the private sector value these intrinsic motivation elements since their strong loyalty and dedication is to individual employers.

According to the 2007 Norwegian Statistics (as cited in Ibsen, Larsen, Madsen, & Due, 2011), public sector employees constitute about 36% of all the workforce in the country. The percentage mentioned above has remained unchanged for over two decades, even though changes have occurred in the sector, including outsourcing and privatization. While Norwegian public sector has witnessed enormous new public management (NPM) in the recent past to improve the

working conditions for employees, including wages and work environment. However, Ibsen et al. (2011) argue that the reforms have intensified the work in the public sector, including increased responsibilities for workers. However, employees in the Norwegian public sector have generally expressed high levels of job satisfaction as well as other positive reforms. For instance, the transformations in the management approaches in the sector have altered the HRM techniques from rigid and hierarchical style to soft techniques, coupled with the empowerment of front-line staff (Ibsen et al., 2011). A study provided by Jin (2013) indicated that public sector motivation and extrinsic rewards were instrumental in influencing the employees who choose working in the public sector. However, the author avers that intrinsic rewards presented a totally divergent outcome, particularly depicting a reversed relationship in determining the employees' motivation to choose the sector of work (Jin, 2013).

Lavigna (2014) reiterates the challenge involved in attempting to motivate employees working for government than in the private sector. According to Lavigna (2014), managing government employees is different from managing employees in the private sector. The environment in government employees is different. For example, government employees are always under the scrutiny of the general public and other players such as politicians. The actions of governments are under applicable laws. It, therefore, becomes easier to advance certain measures to the employees with the aim of improving their working morale.

Despite the difficulties that are prevalent in managing and motivating government employees, there are different ways in which this can be affected. Casebourne (2015) writes that there is an urgent and clear need for employees in the public sector to be innovated. Importantly, motivation and morale in the employees working for the governments should be enhanced using intrinsic means. Casebourne (2015) opines that there are three major ways of intrinsically motivating government employees. They include; empowering employees through empowering their decision-making capability, creating a stronger relationship between the supervisors and the employees including showing empathy when they are in need and supporting their innovation and rewarding their innovativeness in the organization. On his part, Espinosa and Rakowska (2018) note that the way to motivate government employees is to respect their autonomy and correlate results with their hard work by recognizing their efforts in the organization.

The total number of employees in Norway as per January 2019 labor statistics was 2.702 million (Trading Economics, 2019). Just like many governments in the world, Norway faces the task of improving performance amongst her employees. Government employees, just like those in the private sector have to be motivated so as to improve their performance and importantly serve the public better. Some sectors such as health and education are critical and require urgent focus in regard to the outcomes of the employees (Trading Economics, 2019). This study recognizes the problems that Norway face in improving performance of her employees. The paper also recognizes that there are different prevailing circumstances that hamper managing employees in the government work places. Importantly, the study investigates the impact that non-financial incentives can have on the performance of the employees in the government sector in Norway.

## **1.4 Study Objectives**

### **1.4.1 Aim**

To investigate the impact that non-financial incentives; for example, career advancement, employee participation, recognition, employee empowerment, job security, recognition programs, and favorable organizational cultures have on the motivation levels and performance of government employees in Norway.

### **1.4.2. Objectives**

1. To determine the levels of non-financial incentives in the Norwegian government
2. To measure the levels of job satisfaction amongst employees of the Norwegian government
3. To determine the relationship between non-financial incentives received and job satisfaction
4. To determine the preference of job satisfaction and its correlates among employees of the Norwegian government

## **1.5 Research Questions**

1. What are the non-financial incentives received by employees of the Norwegian government?
2. Are employees of the Norwegian government satisfied with their jobs

3. What non-financial incentives are most preferred by employees of the Norwegian government?
4. What non-financial incentives most motivate employees of the Norwegian government?

### **1.6 Significance of the Study**

The outcome of this research study will be vital in decision-making process, particularly in the Norwegian public sector. It would drive in the employment policy making process by the stakeholders in the public sector, including the Norwegian government, employees in the public sector, potential employee of the Norwegian government, and trade unions advocating the rights of government employees. First, the investigation is on the role of non-financial incentives on employees working for the government. In this regard, the government will be the first to understand how best her employees can be motivated and induced to perform better. Employees working in the public sector have the sole aim of serving the interests of the general public. For example, those working in the health, security, and education sectors among others have strong interests in improving health, security, and education standards of the Norwegian citizens. In this regard, therefore, when these services are improved as a result of advancing non-financial incentives to the employees, the government benefits from excellent service delivery.

Second, managers and supervisors working in the public sector will benefit from the outcome of the study. The managers and supervisors often implement the government policies in the public sector, including overseeing and supervising the operations of organizations and their employees. Since they are in constant contact with employees, they have to understand the best ways to boost the morale of employees in the public sector. Consequently, this study would provide a deep insight and understanding of the non-financial incentives and how they motivate the workers. Such information will be instrumental to the government, especially on the specific incentives that have to be directed to specific departments and employees.

Lastly, the employees in the public sector will greatly benefit from the outcome of the study as it emphasizes the non-financial incentives and how they boost their morale. When motivated, employees' performance in the public sector improves significantly, an issue that in turn benefits the government and public considerably. Importantly, employees have to understand how best to improve their service work and especially when working in the public sector since the strongest

focus is to serve the interest of the general public. Employees will know the strategies and especially the non-monetary incentives that can help their work-output to improve or service the public better.

### **1.7 Limitations of the Study**

This study will be limited in a number of ways.

- a) Only questionnaire will be used as the tool to collect data. While it is a relevant method of data collection, the limitation to a single method hampers collection of all-round data.
- b) The focus was only on the government or public sector. This, therefore, will limit the outcome. Employees everywhere face similar problems related to motivation. Concentrating only on the public sector, therefore, will limit the understanding of the importance of non-financial incentives to employees.
- c) Only four public departments will be used for this study. These departments will have questionnaire forms distributed for filling. Overall, only 100 questionnaire forms will be filled with each department having 25 employees answer questions. This research population as a representative of the whole Norwegian government is small hence affecting reliability of the results.

## **Chapter Two: Literature Review**

### **2.1 Introduction**

This chapter is a review of the literature concerning the use of non-financial incentives with the aim of motivating employees in an organization. Specifically, the chapter is a discussion using past written works about specific intrinsic elements that can be used to motivate employees working in government departments, with a bias to Norway. Also, in this section is the evaluation of a relevant theoretical framework and an empirical review of issues regarding the performance of employees in the public sector, non-financial incentives and motivation.

### **2.2. Theoretical Framework**

There is a strong nexus between productivity of employees in organizations and non-financial incentives. According to Rahim and Daud (2012), incentives are linked to psychological effects on employees which motivates them to improve their inputs. The resultants are improved performance in the organization. The following discussion is a theoretical framework touching on the idea of non-monetary incentives, the link to employee performance and appropriate motivation theories.

### **2.3 Employee Performance**

Employee performance is the input and output activities by an employee, and which leads to the achievement of organizational goals. It is the conduct of an employee (Shahzadi, Javed, Shahzaib Pirzada, Nasreen, & Khanam, 2014). According to Bruce, Hampel and Lamont (2011), these are expectations of an employee in how he or she executes the work-related activities in an organization. The measure of employee performance is on the achievement or organizational goals measured mostly on a monthly, quarterly, and yearly basis. Bruce, Hampel and Lamont (2011) note that it is critical for an organization to set specific expectations of every employee as a way of gauging the levels of performance. There are specific elements of organizational management that are linked to employee performance. As written by Stacks, Dodd, and Men (2011), these are; strategic planning, team and individual development, succession planning, total compensation, and human resource technology systems. These elements are also correlated with motivation of employees to work towards achievement of the organizational objectives. For example, team and



individual development is a means of enhancing career growth of employees. As a morale booster, career growth plan for employees makes them identify themselves with the organization and hence works towards improving their work outputs.

Motivation is a key factor in employee performance. Stacks, Dodd, and Men (2011) are of the view that when an employee fails to perform as expected, it is upon the managers or the immediate supervisors to evaluate the motivational issues surrounding the working of the employees. Essentially, they must evaluate the reasons why the work activities are not performed as per the description of the organizational objectives. One of the strong motivators of employee performance, as evaluated by Latham (2016), is finances. The author writes that from expectancy theories, money is a major inducement for job performance and job satisfaction. Increments in bonus, allowances and salary motivate the employees to work more and those results are better work outputs from employees. Latham (2016) adds that employee motivation is highly linked to rewards extended to employees from the organization. Both intrinsic and extrinsic rewards are good motivators of employees and it is upon the organizational leadership to evaluate the applicable form of motivational rewards that can be advanced to the employees.

There are a number of issues that influence employee performance and employee motivation. As noted by Baldwin Stacks, Dodd, and Men (2011), the factors include; the management style for example; authoritarian or democratic leadership styles, nature of communication practiced in the organization; for example, top-down or horizontal communication, and organizational culture, that is, the stated culture and the perceived culture among others. Successful organizations focus on motivating their employees for a number of reasons. These include; lowering the labor turnover, improving quality of products and services offered, enhancing employee loyalty, lowering employee absenteeism, and cultivating willingness to accept ideas introduced by managements for improved productivity (Shahzadi et al., 2014). Some of effective means of enhancing employee motivation for better performance include; making the objectives and expectations from employees clear, continually providing feedback to employees, reprimanding or correcting an employee privately when he or she deviates from the organizational course, believing in the employees including associating success to their work inputs, offering achievable rewards, and praising the employees publicly (Obiekwe, 2016).

## 2.4 Non-Monetary Incentives

The two categories of motivators in an organization are; extrinsic and intrinsic rewards. The extrinsic rewards are external factors with the most important being monetary rewards. The intrinsic rewards are psychological needs that an employee requires to enhance his or her morale in working in an organization. These are the non-monetary incentives. The Business Dictionary defines non-monetary rewards or incentives as the compensation that are given in a transaction and does not involve finances. Schöttle and Gehbauer (2012) reiterate the fact that incentives system often intends to motivate the recipient, more so in the place of work. According to the authors above, previous studies have affirmed that intrinsic motivation is significantly impaired by the financial incentives, an issue that results in the lowering of the performance in an organization (Schöttle & Gehbauer, 2012). Lastly, Schöttle and Gehbauer (2012) argue that trust-based incentives and not mandatory incentives are critical in promoting intrinsic motivation and subsequent performance among individuals.

In relation to employee motivation, non-financial incentives give to a differing common meaning to meaningful work. As written by Kosfeld, Neckermann and Yang (2014), the perceived meaning of work especially by employees entails monetary rewards. Employees enter into an agreement with an employer with the utmost gain being a salary. In this regard, money is the motivator for working. However, in intrinsic rewards or non-financial incentives, this meaning is manipulated. Kosfeld, Neckermann and Yang (2014) write that several documented psychological and economic findings show that in the contemporary times, employees care less about earning or money in a job. There are other incentives that motivate workers to put more effort in an organization. For example, Sandhya and Kumar (2011) emphasize that employees in an organization may value career growth and job satisfaction more than the bonuses and monthly salaries that they receive. As a result, with the understanding of the value of intrinsic rewards, organizational leadership are balancing monetary and non-monetary incentives. In addition to good pay, especially to ward off employee labor turnover, organizational leadership are focusing on creating a relationship between the organization and the employees.

The concept of non-financial incentive is applicable in both public and private sectors. As noted by Yavuz (2004), for the public employees, it is important that non-monetary rewards are given to them since they are at the forefront of serving the public interest. Using an example of Turkey,

Yavuz (2004) notes that employees in the country are motivated using incentives such as job security, fixed wage that does not depend on their performance, and absence of a performance-based pay structure. However, from the discussion by Yavuz (2004), public employees in Turkey are not highly motivated to perform in their organizations. Their pay structure is not good and the fact that their public wage is fixed means that they may lack the drive to improve on their performance. This correlates with the argument that there is a need to balance between the two forms of incentives; that is, monetary and non-monetary rewards. Importantly, there is need to increase non-monetary incentives in the country and as argued by Yavuz (2004), increasing non-monetary incentives would go along recognizing specific performance by the employees and encouraging them to perform even better.

There is a strong relationship between non-financial incentives and performance. Srna and Dinc (2017) write that studies have shown that non-momentary incentives such as recognition in the organization are some of the influential rewards in an organization and which gives impetus for employees to improve on their work. Other incentives include; job security, opportunities for career growth, good relationships, and autonomy among others. The absence or presence of these incentives is critical in determining the levels of performance and the motivation to perform better for the employees. Critically, in the public sector, employees require these values for the sake of improving their motivation to serve the general public better.

#### **2.4.1 Abraham Maslow's Hierarchy of Needs**

The Maslow's Hierarchy of Needs and theory by Abraham Maslow is one of the recognized motivation theories. This theory was proposed by Maslow in the year 1943 in a paper titled, A Theory of Human Motivation and as written by Cherry (2018), the theory is a psychological review of people. Essentially, the theory looks at the motivation factors of human behavior. Conley (2007) in the evaluation of how companies use the Maslow's theory to motivate their employees notes that the most valued achievement in an employee is when he or she has got self-actualization needs. However, before this ultimate goal of employees, there are other motivation levels that the workers desire. They include; psychological needs especially the survival means; for example, food, salary, and stable employment, security needs such as work safety and benefits, belongingness such as cooperation with peers, and esteem needs in form of job titles, respect, and recognition. Figure 1

below is a representation of the Maslow's hierarchy of needs as applicable to employees in an organization.

Important from the understanding of the Maslow's hierarchy of needs is the motivation it gives to organizational employees and an inducement to employee performance. Shields, Brown, and Kaine (2015) write that human needs shape their motivational drive. When the needs are satisfied by the organization they work for, they reciprocate by increasing their performance. The Maslow's hierarchy of needs theory give an assumption that people behave in a certain way depending on how their needs are satisfied. Need satisfaction produce certain feelings; for example, of pleasure. In an organization, a need such as job security, autonomy and recognition would produce a level of satisfaction to a point that the employees reciprocate by putting more effort to achieve organizational goals. In addition, as written by McGuire (2012), the theory gives an implication of what the organizational leadership should focus on. The management should constantly review the needs of the employees in all the five levels. This is an assurance that the employees will continually be motivated, hence perpetual improvement in their performance and achievement of organizational goals.

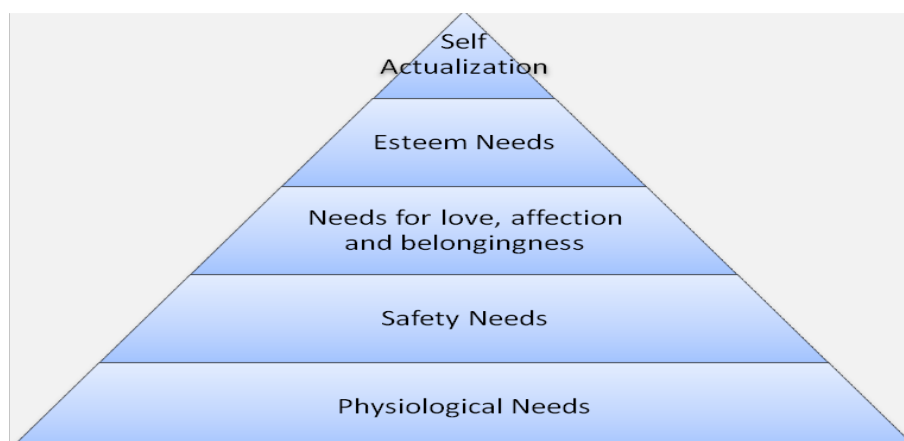


Figure 1: Maslow's Hierarchy of Needs (Jerome, 2013).

From the figure, the principle is that an employee has to be satisfied one level before advancing to the other. For example, the first needs are the psychological needs such as food, health, and water. In an organization, the related needs for an employee are issues such as salary and stable employment. This is before he or she desires safety needs such as job security and a favorable social structure. The ultimate goal for an employee represented at the peak in figure 1 is self-actualization. However, from the analysis of Cherry (2018), despite the influential nature of

the theory, this theory is not without criticism. For example, the theory cannot easily be tested and needs of people do not have to have a structure or following a certain hierarchy. Employees can desire self-actualization needs before psychological needs.

#### **2.4.2 Expectancy Theory of Motivation**

This theory was proposed by Victor Vroom. He proposed that motivation of employees is a result of his or her desire in the organization in form of a reward. The expectations that the employee have in the organization results in expected performance. According to Miner (2011), a reward or valence is associated with expected performance of an employee. The employees have faith that there will be some valence that will be given to them, and therefore, they are bound to put more effort. On the other hand, this theory also proposes that the employees expect that their performance will also lead to rewards. As written by Hiriyappa (2018), this theory is summarized using three forms of relationship. The first is the effort-performance relationship, where, the effort of employees is recognized in the organization. The second is the performance-reward relationship where, after a performance and recognition, employees are rewarded. The third is the rewards-personal goals relationship where, through rewards, employees achieve their personal. Rewards which are not financial; for example, participative decision-making will produce the drive to perform more in the organization.

#### **2.5 Empirical Review**

This section describes the components of intrinsic values in management that can be used to drive employee performance in public organizations. The section also describes evidence of the influence that the different non-monetary rewards have on the performance of employees in organizations. According to Jin (2013), the public sector employees often value intrinsic work motivations compared to their private sector counterparts, who view extrinsic motivations as more important. On a similar note, Giauque, Anderfuhren-Biget, and Varone (2013) emphasize the fact that private employees have less affinity or desire for intrinsic non-monetary rewards compared to their public counterparts. In two cross-sectional studies conducted among 302 employees in Norwegian organizations, intrinsic motivations impacted significantly not only on the perceived job autonomy but also on the quality of work (Dysvik & Kuvaas, 2011).

### **2.5.1 Non-Monetary Rewards Influence on Employee Performance**

There are mixed results on empirical studies on the relationship between intrinsic motivators and organizational performance. According to Rajendran, Mosisa and Nedelea (2017), intrinsic values in an organization have impacts on the performance of employees. Rajendran, Mosisa and Nedelea (2017) investigated the impacts that intrinsic rewards have on the performance on employees in an agricultural research center in Ethiopia and found out that there is a strong correlation between the two variables. Incentives such as job satisfaction, autonomy, recognition in the organization, and job security induce the employees with morale towards improving their work results and hence achievement of organizational goals. In addition, Murpy (2015) writes that non-pay values and rewards such as participation in decision-making processes improve motivation of employees including the ability to innovate and perform more in the organization. The author adds that this relationship is a proof that money is not a strong contributor to employee performance and does not lead to components such as improved behaviors, improved cooperation with management, and longer working period for the employees. Use of non-pay rewards is also a less costly practice in an organization and hence easier to implement.

A study conducted by Kvaløy, Nieken, and Schöttner (2015) emphasized on the role played by non-monetary incentives in enhancing the performance of employees. In the study dubbed “Hidden benefits of reward: A field experiment on motivation and monetary incentives,” Kvaløy, Nieken, and Schöttner (2015) cite motivational talk as a critical source of motivation to the employees that actually makes a difference in their performance. Notably, motivational talk increased the output of employees by close to 20% compared to performance pay, in addition to necessitating a 40% reduction in the ratio of mistakes by the employees.

A study conducted by Giauque, Anderfuhren-Biget, and Varone (2013) demonstrated that HRM practices that promoted intrinsic work incentives were positively associated with perceived organizational performance. According to the authors mentioned above, HRM activities promoting intrinsic work incentives were instrumental in enhancing job enrichment, professional development, individual appraisal, and participation, thereby impacting positively on the performance of the organization (Giauque et al., 2013).

Many literatures of organizational behavior and human resource management have noted that non-monetary incentives are effective in motivating employees in organizations. As argued by

Abdullah and Hooi (2013), these types of incentives establish the links between organizational performance and desired behaviors of employees. Organizations that pay attention to intrinsic rewards as forms of motivations to employees are seen as caring organizations. For example, use of rewards such as recognition and appreciation of employees are seen as though they care more than those organizations that use increased salaries and bonuses for motivation. Other forms of non-monetary incentives that have a direct impact on job satisfaction include; employees' autonomy, self-determination encouragement, and effort optimization.

The most common form of motivation used is regular review of employees' salaries and wages. The argument of Abdullah and Hooi (2013), is that these are not effective means of motivating employees. Norway is one of the countries that have the government employees allowed to self-evaluate themselves before performance evaluation by the government institutions. According to OECD (2008), after self-evaluation, there is a final evaluation that is conducted and anchored on dialogue as opposed to using control tools.

On the other hand, Giauque, Anderfuhren-Biget, and Varone (2013) explain that there is inadequate and insufficient empirical evidence to support the assumption that public sector motivation (PSM) has a direct and meaningful impact on the performance of public employees. According to Giauque, Anderfuhren-Biget, and Varone (2013), the performance of public employees hinges not only on the PSM but also on multiple other factors, including organizational commitment, job satisfaction, and organizational citizenship behaviour.

### **2.5.2 Autonomy and Performance**

One of the components of non-monetary incentives that is used in organizations to motivate employees is autonomy. Chirkov, Ryan and Sheldon (2011) define employee autonomy as the ability for the workers in an organization to control their situations in the workplace. In any business, it is important to let employees control their input in the organization. It can have positive impacts not only for the organization but also for the individual employees. It is a form of motivation. Chirkov, Ryan and Sheldon (2011) write about an autonomous economy and note that autonomy for the employees is related to self-determination and ability to make decisions on their own. Self-determined individuals are motivated more than employees who work under tight controls. When correlated as a form of intrinsic reward in an organization, giving employees

autonomy brings out liveliness in working. In essence, without autonomous working makes the environment in the organization stale or is not motivating.

Related to autonomous employees is learning. According to Rajagopal (2019), in the past, organizations concentrated only on formal kind of development programs and formal training as forms of impacting knowledge in employees. The workers gained skills and experiences related to particular organizational activities through formal way of learning; where, there are trained individuals meant to impact the knowledge in the employees. However, as written by Ellingson and Noe (2017), today, formal training are not given prominence over self-learning. This is a recognition of the changing nature of working in organizations. In this form of learning, employees gain knowledge and organizational insights through informal training. Employee autonomy when related to learning refers to employees defining their way of improving their skills related to their specific activities in the organizations (Ellingson & Noe, 2017). Organizations enable autonomous employee learning by making sure that there are enough resources and materials to equip them with the necessary skills. Essentially, managers of organizations make the organizational structure flexible and enhance user-generated content.

Enhancing autonomous working in the organization is guided by several principles. According to Morgan (2014), the principles are; enabling the organization to have flexible environments, defining and shaping the careers paths of the employees, sharing of internal information with the employees, and constant communication with the employees. This way, employees will gain the independence to make their own decisions, and therefore, have the ability to improve on their own as opposed to relying on tight controls from the managers. Also, there are a number of other ways in which organizations can enhance employee autonomy in the workplaces. Morgan (2014) writes that the first way is to be patient with the employees when they make mistakes. Rebuking them will reduce the ability to initiate ideas in the organization. Second, it is important to build trust with the employees. Third, employees should be given the freedom of choice in the organization which will reduce the chances of making errors. The fourth way is to give the employees the necessary tools to attain their own career goals which will also create a chance of the organization to attain its objectives.

There is a strong correlation between autonomy in the organization and organizational performance. Rajagopal (2019) writes that self-efficacy or autonomy of employees improves work



relations with the organizational managers, and therefore, improving the chances of employees having better output. The employees have expectations that when they make suggestions, they will be heard. They contribute independently on how best to improve the fortunes of the organizations. Motivated employees give more effort, and which contributes positively to the attainment of organizational goals.

### **2.5.3 Recognition and Employee Performance**

Recognition is another component of intrinsic rewards for employees. This is an informal, timely, or a formal acknowledgment of the importance that an individual employee or a team of workers have in an organization (Banya, 2017). Employee recognition is an acknowledgement that the effort that a worker puts in his or her workplace enables the organization to achieve its objectives. It is an important component of employee motivation. This form of increasing morale of workers is recognized internationally as an important way of making the employee feel like part of the organization. The method also has a strong impact on the performance of an employee, where, with a feeling that he or she is valued and that the effort put correlates with the performance of an organization, he or she gets the impetus to put more effort. As written by Banya (2017), employee recognition causes an economical increase in the performance of workers.

Employee recognition is a simple and cheap way of motivating employees. In a field experiment to determine the level of influence that employee recognition has on performance of workers, Bradler, Dur, Neckermann and Non (2016) write that employees consider a thank-you from the management as a strong gift and a feeling of appreciation by the management. The employees feel the need to reciprocate. Importantly, the reciprocity is natural which comes through increasing their efforts towards achieving the goals set by the organizations. Literature on employee recognition have focused on the increase of wages or bonuses to the employees. However, as written by Bradler, Dur, Neckermann and Non (2016), employee recognition does not necessarily have to involve finances.

There is a number of ways in which organizations can enhance recognition of employees. According to Podmoroff (2016), giving of rewards for performance and off-duty perks is a good way of letting the employees that they are valued and recognized in the workplace. In addition, employees should have their opportunities for rise in ranks provided; where, when they put effort, their work is recognized by improved rank or position; for example, from a normal worker to a

supervisor. Importantly, as argued by Podmoroff (2016), implementing decisions that are suggested by employees is a way of showing them that their work and decisions are important. There are specific issues that organizations should bear in mind when enhancing employee recognition. Peer-to-peer recognition, magnification of the recognition through announcing on public areas in the company, personalizing the recognition and making it specific, increases the chances for the employee to perform more.

#### **2.5.4 Participation in Decision-Making and Performance**

There is a relationship between employee performance and participative decision-making. Elele (2010) defines participative decision-making as the decision by the employers to encourage their employees to participate or share knowledge in decision-making processes. The leader allows the employees to have input on how best to improve the organization through achievement of goals. Traditionally, decision-making processes were a preserve of top management. The decisions are then given to the employees to implement. In this, regard, therefore, employees were only to rubber-stamp the decisions, whether favorable or unfavorable to them. The result is a de-motivated workforce. The employees implement the decisions without much thought hence lack of morale to improve their efforts. However, when they are allowed to have their inputs considered in the final organizational blueprint, they will be ready and motivated to implement the decisions. They get the feeling that they have played a part in the success of the company.

Critical in participative decision-making by employees is the quality of management. As written by Scott-Ladd and Marshall (2004), collaborative process of making decisions in an organization improves the quality of outcome of the processes and also the quality of management when the decisions are implemented. Employees are important publics of any organization. They determine the visibility of the organization to other people; for example, customers and also the profitability of the companies. In public organizations, employees give the government or the organization the needed positive view. Overall, participative decision-making by employees increase their behaviors and attitudes, improve the quality of decisions and management and improve the productivity of companies.

Participative decision-making does not have context, that is, whether in private or public companies. Government employees can be encouraged to perform better for public interests when they are given opportunities to make decisions. Importantly, government employees are at better

positions to implement their own decisions as opposed in private companies. In the education sector, teachers have the independence to design their teaching designs. In private institutions, decisions are controlled from the management with little room to innovate or alter the course of service delivery. Grissom (2012) writes that participative decision-making in public institutions improves employee retention, employee performance and low turnover. Importantly, employee performance is negatively impacted when control is exerted from other people and when there are little rooms for them to have their thoughts in what they do.

### **2.5.5 Job Security and Employee Performance**

Job security is defined as the chance that an employee will keep or retain employment (Abraham & Houseman, 2010). There are differences in regard to job security in various countries. Abraham and Houseman (2010) note that in Germany, employees have better job security as compared to employees in the United States. This includes the level of legal protection from ills such as layoffs than America. Norway is ranked as one of the countries in the world with happy workers or employees with good terms in employment. According to Nikel (2016), Norway is ranked second after Denmark in terms of happiness of workers. Job security is one of the components that make employees in Norway happy. Nikel (2016) note that it is not easy for an organization to lay-off a worker in Norway. Employees stay in their jobs for many years without the worry of losing their jobs.

There is a correlation between employee performance, organizational performance, job quality and security. In a study conducted by Esser and Olsen (2012), the concept of job quality, for instance, was critical in influencing not only the well-being of employees but also their satisfaction and motivation. Consequently, it enhances the productivity of the employees, an issue that impacts positively on the general productivity and performance of the organization (Esser & Olsen, 2012).

On the other hand, job security is also a fundamental aspect in the performance of employees in an organization. According to Howe (2016), employee who do not have job security are likely to experience negative emotions and stress, and which end up reducing their work performance. In the contemporary world, job security is a necessity in making an organization competitive in the market. Insecurity corresponds with low performance.

There are ways in which organizations can improve job security for employees. Howe (2016) is of the view that the best way is to make sure that there is no unfair dismissal of employees and there is strict adherence to the legal provisions regarding labor relations. For employees, there are a number of ways to increase job security. According to Manson (2014), understanding how to communicate with the management, adhering to organizational commitment, understanding company goals, using expertise to improve favor in organization; for example, innovations, and working in a team improve the chances of increasing value in the organization; hence, higher job security chances.

## **Chapter Three: Methodology**

### **3.1 Research Design**

The research study will use a quantitative approach. In this type of research study, the emphasis is on objective measurement. By use of survey, the focus of the research study is to understand the influence that non-financial incentives have to employees in government departments in Norway. By use of quantitative research, the aim, therefore, is to have a statistical measurement of the opinions of employees in selected departments in Norway. In addition, the research design is experimental. Srinagesh (2006) defines an experimental research design as a study done using a scientific approach. It will be a field experiment where data will be collected from the selected Norwegian government employees.

### **3.2 Participants**

The participants in this research study will be Norwegian government employees. A total of 100 employees will be used for this study and will be drawn from four government departments namely; Department of the Financial Management DFØ, Rennesøy municipality, Rennesøy school and kindergarten and Rennesøy health center and rehab.

The use of 100 as the research population was for the purpose of achieving research validity. According to Kara and Celikler (2015), validity in a research study is the ability to collect quality data. The results will also form as a representation of the feelings about non-financial incentives and their impacts on job satisfaction in government employees across the world.

### **3.3 Instrumentation**

The tool for collecting data in this study will be questionnaires. Questionnaire forms will be prepared and distributed to 100 employees in four departments of Norway government. The dully-filled questionnaires will then be collected after two weeks from the time of distribution. Questionnaires will be the appropriate to collect data from the selected research population. Questionnaires is a series of questions and as written by Matthews and Kostelis (2011), questionnaires are appropriate in collecting people's experiences, past behavior, values, and their attitudes. Importantly, questionnaires give the participants time to think about questions, therefore, improving the quality of the research outcome.

### **3.4 Sampling Methodology**

Simple random sampling will be employed in selecting the 100 participants for this research. This method will have benefits of reducing the chances of bias, where, the selected population will not be premeditated. This is as opposed to selective methods where the research determines the participants in his or her study.

### **3.5 Data Analysis**

Inferential statistics will be used as the method for data analysis for this research. This type of data analysis in quantitative methods helps to come up with reasons behind specific outcomes. According to Gravetter and Wallnau (2009), this method is good in making predictions and generalization of results about a larger group. Additionally, correlation inferential statistics will be preferred for the sake of showing the relationship between non-financial incentives and employee performance in Norwegian government departments.

### **3.6 Ethical Consideration**

The following ethical issues will be considered in providing this research study.

- a) Beneficence – in this issue, the principle will be to provide a significant research study that can promote the welfare of the employees or participants of the study.
- b) There will be respect for confidentiality and anonymity of the research participants.
- c) There will be respect for the privacy of the participants and the information that will be gathered from them.
- d) Before investigating, the participants will be asked for their informed consent.
- e) There will be exclusion from the study individuals categorized in vulnerable groups; for example, students, prisoners, mentally ill, and children.

## Chapter four: Data analysis

This chapter presents the analysis of study findings.

### 4.1 General Information

#### 4.1.1 Gender of Respondents

Table 1 below shows the distribution of the study respondents by gender. Majority of the study respondents were female (66.7%) while male participants (33.3%) were a third of the female participants.

Table 1: Gender of respondents

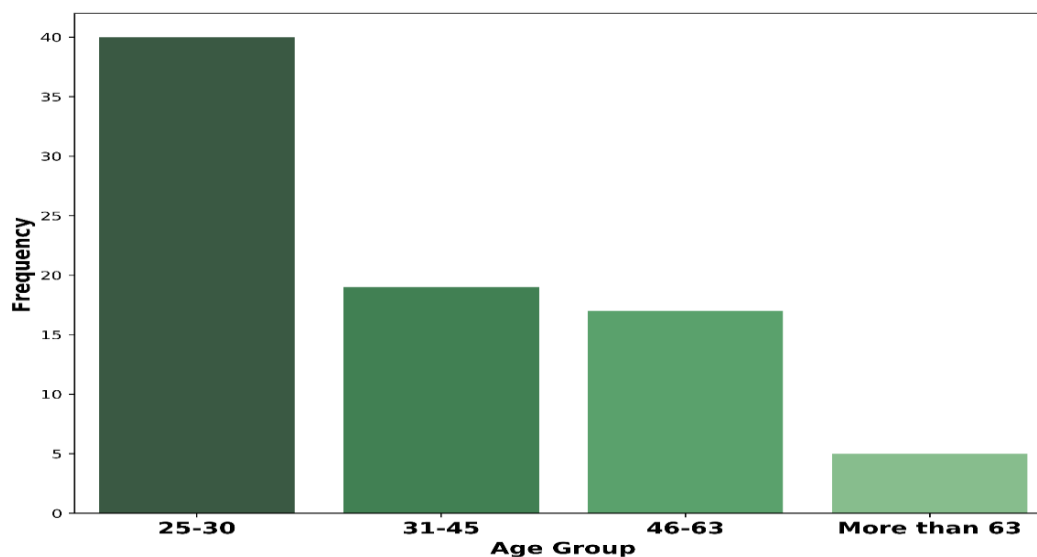
	Frequency	Percent	Valid Percent	Cumulative Percent
Female	54	66.7	66.7	66.7
Male	27	33.3	33.3	100.0
Total	81	100.0	100.0	

#### 4.1.2 Age distribution of study respondents

Table 2 below presents the age distribution of study participants. Majority of study respondents belong to the 25-30 age group (49.4%) while only 60% were older than 63. Findings indicated that the number of persons working in the Norwegian government decreased with increasing age signifying that the plurality of staff are young. The few older members of staff are most likely senior members of the government.

Table 2: Distribution of Age among study respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
25-30	40	49.4	49.4	49.4
31-45	19	23.5	23.5	72.8
46-63	17	21.0	21.0	93.8
More than 63	5	6.2	6.2	100.0
Total	81	100.0	100.0	



#### 4.1.3 Distribution of respondents who have child dependents

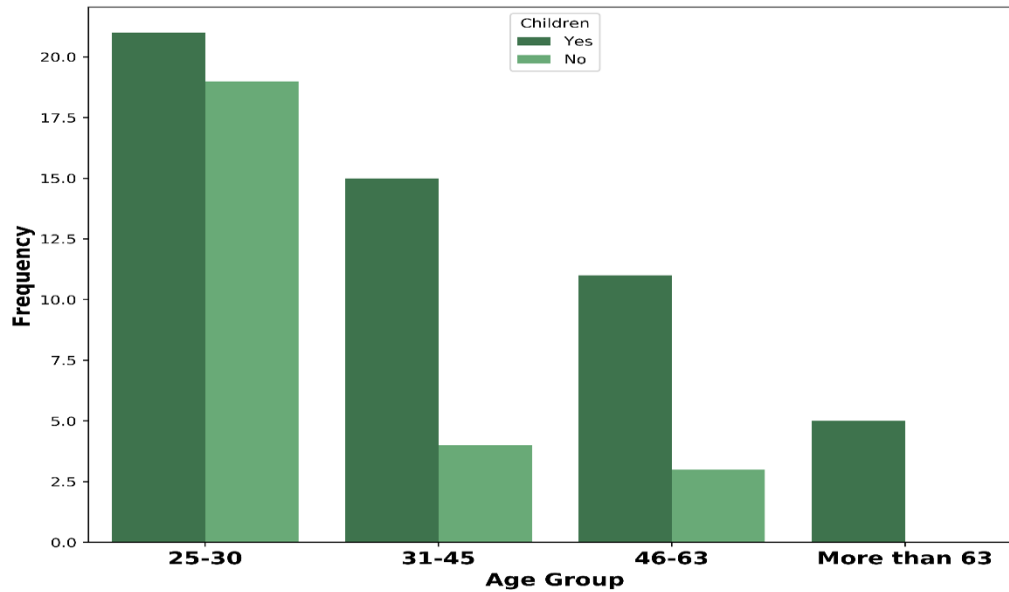
The larger percentage (64.2%) of study respondents had children. This is interesting since most of the study respondents are below the age of 30. One would expect that there would be fewer numbers of persons with children. A cross tabulation (table 4) of persons with children versus age group revealed that older persons were more likely to have children than younger ones. The cross tabulation also reveals that a little over half of those in the 25-30 age bracket have children.

Table 3: Distribution of respondents who have children

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	52	64.2	66.7	66.7
	No	26	32.1	33.3	100.0
	Total	78	96.3	100.0	
Missing	System	3	3.7		
Total		81	100.0		



Table 4: Cross tabulation of age-group and having children



		Children			Total
		Yes	No		
Age Group	25-30	Count	21	19	40
		%	52.5%	47.5%	100.0%
	31-45	Count	15	4	19
		%	78.9%	21.1%	100.0%
	46-63	Count	11	3	14
		%	78.6%	21.4%	100.0%
	More than 63	Count	5	0	5
		%	100.0%	0.0%	100.0%
Total		Count	52	26	78
		%	66.7%	33.3%	100.0%

### Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	8.295 <sup>a</sup>	3	.040
Likelihood Ratio	9.839	3	.020
Linear-by-Linear Association	7.147	1	.008
N of Valid Cases	78		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.67.

#### 4.1.4 Level of education of study respondents

Table 5 presents findings of the level of education of the study respondents. Most respondents were educated having at least a bachelor's degree (86.4%). Only a handful of respondents possessed just a high school degree (13.6%). These few who only had basic formal education may be persons employed into the lower cadre positions which do not require one to be educated up to the tertiary level. These findings imply that members of the public service are well educated.

Table 5: Distribution of study respondents by level of education

	Frequency	Percent	Valid Percent	Cumulative Percent
High school	11	13.6	13.6	13.6
Bachelor's Degree	37	45.7	45.7	59.3
Master's Degree	33	40.7	40.7	100.0
Total	81	100.0	100.0	

#### 4.1.5 Designation of study respondents

Table 6 presents the distribution of study respondents by their designations. Most of the study respondents surveyed were operatives (75.0%) or supervisors (11.8%). A few were managers

(5.3%), counsellors (3.9%) and lectors (3.9%). The distribution is found in this study is expected as most members of staff are usually found in the lower cadres of authority such as operatives. As one progresses up the organizational ladder, the number of persons reduce hence the fewer number of managers and supervisors.

Table 6: Distribution of study respondents by designation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Operative	57	70.4	75.0	75.0
	Supervisor	9	11.1	11.8	86.8
	Department Manager	4	4.9	5.3	92.1
	Guidance Counsellor	3	3.7	3.9	96.1
	Lector	3	3.7	3.9	100.0
	Total	76	93.8	100.0	
Missing	System	5	6.2		
Total		81	100.0		

#### 4.1.6 Length of service of study respondents

Table 7 presents the distribution of study respondents by the length of time they had been working with the government. Most respondents had been working with the government for 1-3years (34.6%) or 4-6 years (30.9%). There were fewer persons who had either been working for less than a year (17.3%) or more than 10 years (13.6%). The results indicate that the government has a low turnover rate vis-à-vis its staff. This could be an indicator of job satisfaction amongst employees since employees stay at least a few years in government jobs.

Table 7: Distribution of study respondents by length of service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	14	17.3	17.3	17.3

1-3 years	28	34.6	34.6	51.9
4-6 years	25	30.9	30.9	82.7
7-10 years	3	3.7	3.7	86.4
More than 10 years	11	13.6	13.6	100.0
Total	81	100.0	100.0	

#### 4.1.7 Distribution of study respondents by department

Table 8 presents the distribution of study respondents by department. Most person belong to other departments (57.4%) than those listed. The second most populous department was the payroll data department (30.9%) followed by the education (4.9%) and customer center (4.9%) departments in third place.

Table 8: Distribution of study respondents by department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Customer Center	4	4.9	5.9	5.9
	Education	4	4.9	5.9	11.8
	Payroll Data	21	25.9	30.9	42.6
	Others	39	48.1	57.4	100.0
	Total	68	84.0	100.0	
Missing	System	13	16.0		
Total		81	100.0		

#### 4.1.8 Distribution of study respondents by employment situation

Table 9 presents the distribution of study respondents by current employment situation. Most respondents were permanent staff (74.1%) of the government while 17.3% were substitutes and 8.6% were in training.

Table 9: Distribution of study respondents by employment situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent	60	74.1	74.1	74.1
	Substitute	14	17.3	17.3	91.4
	Training	7	8.6	8.6	100.0
	Total	81	100.0	100.0	

#### 4.1.9 Distribution of study respondents who had worked elsewhere before

Table 10 presents the distribution of respondents who had worked elsewhere prior to joining the government. Most respondents (78.7%) had worked elsewhere while 19.8% had their first job with the government. These results imply that persons perceive the government as a good place to build their careers since they leave their previous work for the government work.

Table 10: Distribution of study respondents by previous work experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	59	72.8	78.7	78.7
	No	16	19.8	21.3	100.0
	Total	75	92.6	100.0	
Missing	System	6	7.4		
Total		81	100.0		

## 4.2 Common Method Bias

Common method bias occurs when variations in responses are as a result of the study instrument as opposed to the actual biases of the respondents that the instrument was designed to reveal. This results in false estimates that are not representative of the study population (Podsakoff, MacKenzie, & Podsakoff, 2012).

### 4.2.1 Harman's Single Factor Test

The Harman's single factor test assesses if the majority of the variance in responses from a study can be explained by a single factor. A threshold of 50% variance explainable by one factor is usually set to determine the presence of Common method bias. To conduct the test, all variables were entered into a factor analysis using the principal component analysis method and setting number of factors to return to 1. Results showed that the total variance of explained by a single factor was 37.061% (table 11). This is below to acceptable threshold of 50% and as such it is concluded that the study instrument does not introduce biases to the study measures. Responses are representative of the predispositions of the respondents.

Table 11: Harman's single factor test

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.300	37.061	37.061	6.300	37.061	37.061
2	2.548	14.989	52.050			
3	1.513	8.897	60.947			
4	1.203	7.074	68.021			
5	.968	5.694	73.715			
6	.902	5.304	79.019			
7	.744	4.374	83.393			
8	.573	3.369	86.762			
9	.521	3.062	89.824			
10	.427	2.515	92.339			
11	.350	2.061	94.401			
12	.283	1.662	96.062			
13	.264	1.553	97.615			
14	.157	.923	98.538			
15	.115	.674	99.212			
16	.075	.443	99.655			
17	.059	.345	100.000			

### 4.3 Importance of non- financial incentives to study respondents

The assess the importance of non-financial incentives to the study respondents, they were asked to pick on a scale of 1 to 5, how important they perceived non-financial incentives in enhancing their enthusiasm. The scales ranged from not at all (1) to very effective (5). Distribution of their responses is shown in table 12. The majority of study respondents agreed that it was important (77.8%) in boosting their enthusiasm while only 3.7% responded saying non-financial incentives were not important in boosting their enthusiasm. Some respondents (18.5%) were neutral stating that non-financial incentives were neither important nor otherwise in boosting their enthusiasm towards work.

Table 12: Responses for importance of non-financial incentives in enhancing enthusiasm

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	2.5	2.5	2.5
	Not very much	1	1.2	1.2	3.7
	Neutral	15	18.5	18.5	22.2
	Effective	43	53.1	53.1	75.3
	Very Effective	20	24.7	24.7	100.0
	Total	81	100.0	100.0	

To assess how responses varied by the different groups, the variable measuring importance of non-financial incentives was treated as a scale such that a score of  $\leq 2$  indicated non-importance, while score of  $>3$  indicated importance of non-financial incentives as affecting motivation. The scores in between the two stated points are considered neutral. To assess difference in perceived importance across the amongst the different demographic groups, a Student's T.test was conducted for groups with two categories while an Analysis of Variance (ANOVA) was conducted with groups of more than three categories. The importance score was set as dependent variable and the groups as factor.  $P < 0.05$  was considered statistically significant for all tests. Results are presented as mean score and standard deviation per group in table 13 below.

Results revealed that of all the demographic variables assessed, only age group level of education, having children, department and worked elsewhere before were significantly associated with importance of non-financial incentives. Respondents who had children were more likely to place more importance on non-financial incentives than respondents that who did not have children ( $p=0.004$ ). This is similar to previous findings where the authors found that motivation was affected in women with children (Haile, Yemane, & Gebreslassie, 2014). There was also a significant association between level of education and importance of non-financial incentives in boosting motivation towards work. Post hoc analysis revealed that persons with a bachelor's degree placed significantly more importance on the role of non-financial incentives in increasing enthusiasm towards work. Similar trends were found amongst the different age groups where respondents in the 31-45 age bracket also place significantly higher importance on non-financial incentives than persons in the 25-30 or above 63 age brackets.

Table 13: Importance of non-financial incentives in different groups

		Importance		P value
		Mean	Standard Deviation	
Gender	Female	3.98	.88	0.773
	Male	3.93	.78	
Age Group	25-30	3.80	.97	0.011
	31-45	4.47	.61	
	46-63	3.94	.56	
	More than 63	3.40	.55	
Do you have children	Yes	4.19	.63	0.004
	No	3.50	1.07	
Highest level of education	High school	3.36	.92	0.001
	Bachelor's Degree	4.30	.57	
	Master's Degree	3.79	.93	
Position	Operative	4.00	.91	0.423
	Supervisor	4.44	.53	
	Department Manager	3.50	.58	
	Guidance Counsellor	4.00	.00	
	Lector	4.00	.00	
Length of service	Less than 1 year	4.36	.74	0.330
	1-3 years	3.86	1.01	
	4-6 years	3.88	.78	



	7-10 years	4.33	.58	
	More than 10 years	3.82	.60	
Department	Customer Centre	3.00	.00	0.003
	Education	4.00	.00	
	Payroll Data	3.71	1.15	
	Others	4.33	.62	
Employment Situation	Permanent	3.97	.71	0.188
	Substitute	3.71	1.27	
	Training	4.43	.79	
Worked elsewhere before	Yes	4.08	.86	0.022
	No	3.63	.62	

#### 4.4 Preferred non-financial incentives by study respondents.

This section addresses the 3<sup>rd</sup> research question for the study. The research question seeks to understand what financial incentives are most preferred by employees of the Norwegian government.

To assess respondents preferred non-financial incentives, study respondents were asked to indicate on a scale of 1 to 5, how much they agreed or disagreed with statements. Responses were treated as scales and interpreted as below

Score	Interpretation
$\leq 2$	Low preference
3	Neutral
$> 3$	High Preference

Table 15: Preference score for non-financial incentives

	Mean	Standard Deviation
Recognition	4.22	.94
Autonomy	4.04	1.05
Positive Working environment	4.31	.54
Performance Feedback	4.64	.58
Flexibility	4.20	.51

Participation in decision making	4.64	.68
Respect	4.23	.51
Training	4.65	.64
Job security	3.85	.66

Table 15 above presents the results for preferred non-financial incentives among the study respondents. There was a general preference for all the incentives assessed with performance feedback and participation in decision making being the most preferred while job security was the least preferred type of non-financial incentive amongst the study respondents.

There implies a general preference of recognition as a non-financial incentive. This agrees with previously published research where authors found that recognition was a major booster of employee motivation (Aguenza & Som, 2018). One study found that there was a substantial increase in the performance of employees who received recognition for their work as compared to those who did not. The increase in performance was particularly higher amongst the top performing employees (Bradler et al., 2016).

#### **4.4.1 Factors associated with preference of non-financial incentives.**

To assess the demographic factors associated with the different non-financial incentives, a Student's T.test was conducted for demographic variables with two categories while an Analysis of Variance (ANOVA) was conducted with groups of more than three categories.  $P < 0.05$  was considered statistically significant for all tests. Results are presented as mean preference score and standard deviation.

##### **A. Recognition**

Preference for recognition was highest amongst respondents who were female, supervisors or lecturers, worked in the customer center or education departments and were more than 63 years old. Significant associations were found between recognition and gender, age group, position and duration of service.

Female respondents were more likely to desire recognition than male respondent. Amongst the age groups, respondents in the age bracket of over 63 were the most likely to prefer recognition

followed by those in the age bracket 31-45. Persons who had worked with the government for 7-10 were the least likely to have a preference for recognition as compared to respondents in other categories of duration of service. The desire for recognition seems to increase as employees spend more time working for the government, however the increase in the desire for recognition seems to plateau after working for 4-6 years after which it begins to drop (table 16). In a similar vein, managers had significantly lower need for recognition than respondents in most of the other groups.

Table 16: Preference for recognition by groups

		Recognition		P value
		Mean	Standard Deviation	
Gender	Female	4.39	.83	0.037
	Male	3.89	1.05	
Age Group	25-30	4.33	.66	0.001
	31-45	4.58	.51	
	46-63	3.47	1.46	
	More than 63	4.60	.55	
Do you have children	Yes	4.25	1.06	0.775
	No	4.19	.69	
Highest level of education	High school	4.09	.30	0.780
	Bachelor's Degree	4.19	1.08	
	Master's Degree	4.30	.92	
Position	Operative	4.14	.83	<0.001
	Supervisor	4.89	.33	
	Department Manager	2.50	1.73	
	Guidance Counsellor	4.00	.00	
	Lector	5.00	.00	
Length of service	Less than 1 year	4.21	.43	<0.001
	1-3 years	4.43	.63	
	4-6 years	4.44	.65	
	7-10 years	2.00	1.73	
	More than 10 years	3.82	1.47	
Department	Customer Center	4.50	.58	0.508
	Education	4.50	.58	
	Payroll Data	3.90	.54	

	Others	4.18	1.19	
Employment Situation	Permanent	4.17	1.04	0.479
	Substitute	4.50	.52	
	Training	4.14	.38	
Worked elsewhere before	Yes	4.29	.83	0.175
	No	3.81	1.28	

## B. Autonomy

Preference for autonomy was generally mid-range with some persons preferring autonomy and others not. Preference was highest among respondents who were male, between the ages of 31-45, Supervisors, and worked in the customer center. Significant differences in preference for autonomy were found within age group, position, department, employment situation and having worked elsewhere.

Respondents who were within the age range of 31-45 were more likely to prefer preference than persons in other age brackets. Persons who were either supervisors or lecturers also had significantly higher preference for autonomy than persons in other positions. Ironically, persons on training had higher preference for autonomy than permanent employees and substitutes. Substitutes on the other hand the least preference for autonomy.

Table 17: Preference for autonomy by groups

		Autonomy		P value
		Mean	Standard Deviation	
Gender	Female	4.00	1.20	0.600
	Male	4.11	.70	
Age Group	25-30	4.05	1.15	0.077
	31-45	4.47	.77	
	46-63	3.71	1.05	
	More than 63	3.40	.55	
Do you have children	Yes	4.25	.95	0.104
	No	3.85	1.05	
Highest level of education	High school	3.73	1.10	0.451
	Bachelor's Degree	4.00	1.13	
	Master's Degree	4.18	.95	
Position	Operative	4.02	1.06	0.001

	Supervisor	4.67	.50	
	Department Manager	4.00	.00	
	Guidance Counsellor	2.00	.00	
	Lector	5.00	.00	
Length of service	Less than 1 year	3.93	1.44	0.122
	1-3 years	4.04	1.04	
	4-6 years	4.36	.76	
	7-10 years	4.33	.58	
	More than 10 years	3.36	1.03	
Department	Customer Center	4.50	.58	0.051
	Education	3.50	1.73	
	Payroll Data	3.76	1.09	
	Others	4.36	.74	
Employment Situation	Permanent	4.15	.80	0.007
	Substitute	3.29	1.68	
	Training	4.57	.79	
Worked elsewhere before	Yes	4.02	1.03	0.048
	No	4.00	1.32	

### C. Positive Working Environment

Study participants had a general preference for a positive working environment. Respondents who were female, had worked with the government for over 7 or worked in the education department, were most likely to have a preference for a positive working environment. Level of education and gender were the only categories that was significantly associated with preference for a positive working environment. Persons in high school had significantly lower preference than persons with advanced education for a positive working environment. Similarly, female respondents were more likely than male respondents to have a preference for a positive working environment.

Table 18: Preference for positive working environment by groups

		Positive Working Environment		P value
		Mean	Standard Deviation	
Gender	Female	4.41	.50	0.027
	Male	4.11	.58	
Age Group	25-30	4.25	.59	0.664

	31-45	4.42	.51	
	46-63	4.35	.49	
	More than 63	4.20	.45	
Do you have children	Yes	4.35	.56	0.368
	No	4.23	.51	
Highest level of education	High school	3.82	.40	0.003
	Bachelor's Degree	4.43	.50	
	Master's Degree	4.33	.54	
Position	Operative	4.28	.56	0.958
	Supervisor	4.33	.50	
	Department Manager	4.50	.58	
	Guidance Counsellor	4.33	.58	
	Lector	4.33	.58	
Length of service	Less than 1 year	4.29	.61	0.185
	1-3 years	4.36	.49	
	4-6 years	4.24	.60	
	7-10 years	5.00	.00	
	More than 10 years	4.18	.40	
Department	Customer Center	4.25	.50	0.868
	Education	4.50	.58	
	Payroll Data	4.29	.56	
	Others	4.26	.55	
Employment Situation	Permanent	4.35	.55	0.266
	Substitute	4.29	.47	
	Training	4.00	.58	
Worked elsewhere before	Yes	4.32	.54	0.955
	No	4.31	.60	

#### **D. Performance Feedback**

Performance feedback was one of the most preferred non-financial incentives by the employees of the Norwegian government. Preference for performance feedback was high in almost all groups assessed. Performance feedback was significantly associated with gender, level of education and length of service. The lowest preference was found among respondents who had worked with the government for 7-10 years. Female respondents were more likely to want feedback assessing their performance on the job than male respondents. Likewise, persons with bachelor's degree, who are

also mostly workers who have worked for less than 3 years, were more likely to prefer performance feedback than other groups.

Table 19: Preference for performance feedback by groups

		Performance Feedback		P value
		Mean	Standard Deviation	
Gender	Female	4.74	.52	0.043
	Male	4.44	.64	
Age Group	25-30	4.58	.64	0.739
	31-45	4.74	.56	
	46-63	4.71	.47	
	More than 63	4.60	.55	
Do you have children	Yes	4.67	.51	0.393
	No	4.54	.71	
Highest level of education	High school	4.55	.52	0.050
	Bachelor's Degree	4.81	.40	
	Master's Degree	4.48	.71	
Position	Operative	4.60	.62	0.150
	Supervisor	5.00	.00	
	Department Manager	4.25	.50	
	Guidance Counselor	5.00	.00	
	Lector	4.67	.58	
Length of service	Less than 1 year	4.86	.36	0.019
	1-3 years	4.68	.55	
	4-6 years	4.56	.65	
	7-10 years	3.67	.58	
	More than 10 years	4.73	.47	
Department	Customer Center	4.75	.50	0.143
	Education	4.75	.50	
	Payroll Data	4.38	.74	
	Others	4.74	.50	
Employment Situation	Permanent	4.60	.59	0.529
	Substitute	4.79	.58	
	Training	4.71	.49	
Worked elsewhere before	Yes	4.68	.54	0.132
	No	4.38	.72	

## E: Flexibility

Preference for flexibility was highest amongst females, persons in the 31-45 age group, persons who are guidance counselor or lectors and persons who work in the education department. Preference for flexibility as a non-financial incentive was significantly associated with gender and level of education. Females were significantly more likely to prefer flexibility than males; also, persons with a tertiary degree were more likely to prefer flexibility than those with a high school degree.

Table 20: Preference for flexibility by groups

		Flexibility		P value
		Mean	Standard Deviation	
Gender	Female	4.31	.47	0.005
	Male	3.96	.52	
Age Group	25-30	4.15	.48	0.714
	31-45	4.32	.58	
	46-63	4.18	.53	
	More than 63	4.20	.45	
Do you have children	Yes	4.19	.53	1.00
	No	4.19	.49	
Highest level of education	High school	3.82	.60	0.027
	Bachelor's Degree	4.27	.45	
	Master's Degree	4.24	.50	
Position	Operative	4.18	.54	0.899
	Supervisor	4.22	.44	
	Department Manager	4.00	.00	
	Guidance Counselor	4.33	.58	
	Lector	4.33	.58	
Length of service	Less than 1 year	4.21	.58	0.950
	1-3 years	4.14	.45	
	4-6 years	4.24	.52	
	7-10 years	4.33	.58	
	More than 10 years	4.18	.60	
Department	Customer Center	4.25	.50	0.573
	Education	4.50	.58	
	Payroll Data	4.14	.48	
	Others	4.15	.49	
Employment Situation	Permanent	4.23	.50	0.182



	Substitute	4.21	.43	
	Training	3.86	.69	
Worked elsewhere before	Yes	4.22	.56	0.401
	No	4.13	.34	

## F: Decision Making

Participation in decision making was more was one of the most preferred non-financial incentive among study respondents. There were no significant associations found between preference for decision making and the different groups in the study. This indicates that all respondents seek to participate in decision making regardless of their gender, cadre etc.

Table 21: Preference for decision making by groups

		Decision Making		P value
		Mean	Standard Deviation	
Gender	Female	4.69	.54	0.492
	Male	4.56	.89	
Age Group	25-30	4.73	.51	0.623
	31-45	4.53	1.02	
	46-63	4.65	.49	
	More than 63	4.40	.89	
Do you have children	Yes	4.65	.74	0.801
	No	4.62	.57	
Highest level of education	High school	4.45	1.21	0.464
	Bachelor's Degree	4.73	.45	
	Master's Degree	4.61	.66	
Position	Operative	4.60	.73	0.692
	Supervisor	4.67	.50	
	Department Manager	5.00	.00	
	Guidance Counselor	4.67	.58	
	Lector	5.00	.00	
Length of service	Less than 1 year	4.93	.27	0.405
	1-3 years	4.61	.83	
	4-6 years	4.64	.57	
	7-10 years	4.33	1.15	
	More than 10 years	4.45	.69	
Department	Customer Center	5.00	.00	0.165
	Education	4.75	.50	

	Payroll Data	4.52	.60	
	Others	4.79	.47	
Employment Situation	Permanent	4.63	.58	0.518
	Substitute	4.79	.43	
	Training	4.43	1.51	
Worked elsewhere before	Yes	4.63	.72	0.727
	No	4.56	.63	

## G. Respect

Preference for respect was highest amongst respondents who were managers and belong to the customer center. There were no significant differences in preference across the different categories assessed. This indicates a general preference for respect by all respondents.

Table 22: Preference for respect by groups

		Respect		P value
		Mean	Standard Deviation	
Gender	Female	4.28	.45	0.329
	Male	4.15	.60	
Age Group	25-30	4.17	.55	0.675
	31-45	4.26	.45	
	46-63	4.35	.49	
	More than 63	4.20	.45	
Do you have children	Yes	4.27	.53	0.528
	No	4.19	.49	
Highest level of education	High school	4.00	.63	0.233
	Bachelor's Degree	4.30	.46	
	Master's Degree	4.24	.50	
Position	Operative	4.21	.53	0.238
	Supervisor	4.11	.33	
	Department Manager	4.75	.50	
	Guidance Counselor	4.00	.00	
	Lector	4.33	.58	
Length of service	Less than 1 year	4.21	.58	0.069
	1-3 years	4.29	.46	
	4-6 years	4.12	.53	
	7-10 years	5.00	.00	

	More than 10 years	4.18	.40	
Department	Customer Center	4.50	.58	0.644
	Education	4.25	.50	
	Payroll Data	4.14	.48	
	Others	4.21	.52	
Employment Situation	Permanent	4.28	.52	0.288
	Substitute	4.14	.36	
	Training	4.00	.58	
Worked elsewhere before	Yes	4.25	.51	
	No	4.19	.54	

## H. Training

Training as a non-financial incentive was the most preferred non-financial incentives by respondents. Preference was significantly associated with length of service with new member of staff desiring it the most. Respondents who had spent less than a year were significantly more likely to prefer training as a non-financial incentive. Preference for training decreased with increasing length of service.

Table 23: Preference for training by groups

		Training		P value
		Mean	Standard Deviation	
Gender	Female	4.70	.60	0.352
	Male	4.56	.70	
Age Group	25-30	4.73	.55	0.582
	31-45	4.68	.58	
	46-63	4.47	.80	
	More than 63	4.60	.89	
Do you have children	Yes	4.69	.61	0.480
	No	4.58	.70	
Highest level of education	High school	4.73	.65	0.832
	Bachelor's Degree	4.68	.58	
	Master's Degree	4.61	.70	

Position	Operative	4.61	.70	0.594
	Supervisor	4.78	.44	
	Department Manager	4.25	.50	
	Guidance Counselor	4.67	.58	
	Lector	5.00	.00	
Length of service	Less than 1 year	4.93	.27	0.005
	1-3 years	4.82	.39	
	4-6 years	4.48	.77	
	7-10 years	3.67	.58	
	More than 10 years	4.55	.82	
Department	Customer Center	4.75	.50	0.552
	Education	4.75	.50	
	Payroll Data	4.43	.81	
	Others	4.67	.62	
Employment Situation	Permanent	4.58	.70	0.182
	Substitute	4.79	.43	
	Training	5.00	.00	
Worked elsewhere before	Yes	4.64	.64	0.687
	No	4.56	.73	

## I. Job Security

Job security was the least preferred non-financial incentive. Job security was significantly associated with employment situation with persons on training having significantly higher preference for job security than permanent or substitute employees. Job security was lowest among respondents who are substitutes when looking at employment situation. There was a marginally significant association between preference of job security and having children. Persons who had children were more likely to prefer job security than those who did not have children.

Table 24: Preference for job security by groups

		Job Security		P value
		Mean	Standard Deviation	
Gender	Female	3.85	.69	0.985
	Male	3.85	.60	
Age Group	25-30	3.83	.75	0.261
	31-45	4.00	.59	

	46-63	3.65	.49	
	More than 63	4.20	.45	
Do you have children	Yes	3.98	.58	0.058
	No	3.65	.75	
Highest level of education	High school	4.00	.77	0.515
	Bachelor's Degree	3.89	.57	
	Master's Degree	3.76	.71	
Position	Operative	3.93	.60	0.335
	Supervisor	3.67	.50	
	Department Manager	3.75	.50	
	Guidance Counselor	3.33	.58	
	Lector	4.00	.00	
Length of service	Less than 1 year	4.07	.62	0.608
	1-3 years	3.89	.58	
	4-6 years	3.76	.78	
	7-10 years	3.67	.58	
	More than 10 years	3.73	.65	
Department	Customer Center	3.75	.50	0.922
	Education	3.75	.50	
	Payroll Data	3.85	.59	
	Others	3.90	.55	
Employment Situation	Permanent	3.81	.68	0.043
	Substitute	3.71	.47	
	Training	4.43	.53	
Worked elsewhere before	Yes	3.91	.60	0.154
	No	3.56	.89	

#### 4.5 Employee Satisfaction and non-financial incentives

Employee satisfaction was measured using responses from two questions. Respondents were asked how meaningful they found their work and how satisfied they were with their job. Their responses were collected on a Likert scale of 1-5 with 1 implying no satisfaction or no meaning and 5 implying high satisfaction and meaning. Responses from these two items were summed up and average to obtain a satisfaction score for each respondent. To ensure newly computed scale was a reliable measure for job satisfaction, reliability analysis using Cronbach's alpha was conducted and a reliability score of 0.705 was obtained. This score is acceptable.

Another variable was also computed to measure the perception of non-financial incentive received by each respondent. Responses from three Likert items were summed up and average to compute the incentive score. Reliability analysis revealed a Cronbach's alpha of 0.910.

Table 25: Reliability of study measures

Scale	No. of items	Cronbach's alpha
Job Satisfaction	2	0.705
Incentives	3	0.910

#### 4.5.1 Employee Satisfaction

Summary of employee satisfaction is available in table 26 below. The table shows that the average satisfaction score for study respondents was 4.5 out of a total obtainable score of 5 indicating that most study respondents are satisfied with their jobs.

Table 26: Summary statistics for employee satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction	81	2.50	5.00	4.4938	.64466
Valid N (listwise)	81				

#### 4.5.2 Received non-financial incentives

Table 27 presents a summary of received non-financial incentives scores as perceived by the study respondents. The results show that, on the average, most respondents received some form of non-financial incentives with some persons receiving none. This indicates that the Norwegian government gives its employees non-financial incentives.

Table 27: Summary of received non-financial incentives as perceived by study respondents

	N	Minimum	Maximum	Mean	Std. Deviation
Incentives	81	1.33	5.00	4.1770	1.00566
Valid N (listwise)	81				

#### 4.5.3 Relationship between received non-financial incentives and employee satisfaction

In this subsection, the relationship between the perception of received non-financial incentives and employee satisfaction is assessed. Results (table 28) from the analysis show that there is a strong positive relationship between both constructs as seen in the correlation coefficient of 0.747. This relationship was also statistically significant at 0.01 level. It is therefore concluded that increase in non-financial incentives leads to increase in job satisfaction.

Table 28: Correlation between incentives and job satisfaction

		Incentives	Satisfaction
Incentives	Pearson Correlation	1	.747**
	Sig. (2-tailed)		.000
	N	81	81
Satisfaction	Pearson Correlation	.747**	1
	Sig. (2-tailed)	.000	
	N	81	81

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Results also show that there was a statistically significant reduction in the relationship between incentives and job satisfaction when controlling for the effect of satisfaction with salary. Correlation between the variables under query dropped from 0.747 to 0.553 indicating some moderation effect of salary satisfaction on the relationship between incentives and job satisfaction.

Table 28: Correlation between incentives and job satisfaction controlling for satisfaction with salary

Control Variables	Incentives	Satisfaction	Salary
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-none <sup>a</sup>	Incentives	Correlation	1.000	.747	.683
		Significance (2-tailed)	.	.000	.000
		df	0	79	79
	Satisfaction	Correlation	.747	1.000	.639
		Significance (2-tailed)	.000	.	.000
		df	79	0	79
	Salary	Correlation	.683	.639	1.000
		Significance (2-tailed)	.000	.000	.
		df	79	79	0
Salary	Incentives	Correlation	1.000	.553	
		Significance (2-tailed)	.	.000	
		df	0	78	
	Satisfaction	Correlation	.553	1.000	
		Significance (2-tailed)	.000	.	
		df	78	0	

a. Cells contain zero-order (Pearson) correlations.

#### 4.6 Relationship between variables

To assess the relationship between variables measuring importance of non-financial incentives and the preference of non-financial incentives, Pearson's correlational analysis was conducted. Interpretation of correlation results is as below

-1 to -0.8	strong negative correlation
-0.8 to -0.5	Moderate negative correlation
-0.5 to 0	Weak negative correlation
0 to 0.4	Weak positive correlation
0.5 to 0.7	Moderate positive correlation
0.8 to 1	Strong positive correlation

Table 29 presents results of correlation between variables. The highest correlations were found between positive working environment/respect ( $r=0.784$ ); positive working environment/flexibility ( $r = 0.729$ ) and training/performance feedback ( $r = 0.681$ ). This implies



that respondents who desire a positive working environment also desire respect and flexibility. Respondents who desire training also desire performance feedback. There were also some negative correlations between variables such as between performance feedback and respect, positive work environment and performance feedback amongst others.

Table 29: Pearson's correlation between variables

Correlations										
	q12	q13	q14	q15	q16	q17	q18	q19	q20	q21
q12	1									
q13	.058	1								
q14	.438**	.144	1							
q15	.108	.061	.090	1						
q16	.306**	.265*	.207	-.163	1					
q17	.075	.273*	.195	.729**	.031	1				
q18	.239*	.048	.264*	-.241*	.596**	-.010	1			
q19	.021	.073	.147	.784**	-.137	.640**	-.080	1		
q20	.116	.236*	.094	-.159	.681**	-.057	.523**	-.017	1	
q21	.194	.096	.135	-.229*	.227*	-.172	.136	-.195	.271*	1

\*\* Correlation is significant at 0.01level

\* Correlation is significant at 0.05 level

Key:

q12	Importance of non-financial incentive
q13	Recognition
q14	Autonomy
q15	Positive working environment
q16	Performance feedback
q17	Flexibility
q18	Decision Making
q19	Respect
q20	Training
q21	Job security

#### 4.7. Hypothesis Testing

The following hypothesis were tested

1. Preference for non-financial incentives differs significantly by gender
2. Preference of the different non-financial incentives vary significantly by gender
3. There is a significant difference in the importance attached to non-financial incentives by gender

#### 4.7.1 Hypothesis 1

Hypothesis 1 proposed that there is a significant difference in the general preference of non-financial incentives between male and female respondents. To assess this hypothesis, an incentive preference score was computed by taking the average preference scores for the all non-financial incentives measured. A student t. test was then used to compare the difference in distribution of preference towards non-financial incentives by gender.  $P < 0.05$  was considered statistically significant.

Table 30 present the results for hypothesis 1. The results show that females had an average preference score of 4.37 while males had an average preference score of 4.181. The difference between both scores was statistically significant ( $p=0.019$ ) indicating that the hypothesis is true and female staff of the Norwegian government are more likely to prefer non-financial incentives than their male counterparts.

Table 30: Preference for non-financial incentives by gender

				Std.	Std. Error	P value
	Gender	N	Mean	Deviation	Mean	
Preference	Female	54	4.3747	.31942	.04347	0.019
	Male	27	4.1811	.34885	.06714	

#### 4.7.2 Hypothesis 2

Hypothesis 2 proposed that there is a significant difference in preferences towards the specific non-financial incentives by gender. Results for this hypothesis has already been presented in section 4.4 above. Results from the different subsections show significant differences in the different non-financial incentives based on gender. Summarily, females tended to prefer non-

financial incentives that afford them the opportunity to fulfil communal goals such as flexibility while men preferred non-financial incentives that related to fulfilling agentic goals such as autonomy. The results indicate that this hypothesis is correct and is therefore accepted.

### 4.7.3 Hypothesis 3

Hypothesis 3 sought to assess the difference in reported importance of non-financial incentives in general by gender. The hypothesis proposed that there is a significant difference in the importance attached to non-financial incentives in males and females. The hypothesis more specifically examined the fact that women are more likely to place importance on non-financial incentives than men. Results are presented in table 31 below. Results showed that there was no significant difference in the importance of non-financial incentives based on gender. The null hypothesis is therefore accepted.

Table 31: Difference in importance of non-financial incentive by gender

	Gender	N	Mean	Std. Deviation	Std. Error Mean	P value
Importance of non-financial incentive	Female	54	3.98	.879	.120	0.773
	Male	27	3.93	.781	.150	

## Chapter five

### Summary of Findings, Conclusion and Recommendations

#### 5.1 Introduction

The success of any organization is largely dependent on how it treats its employees. Organizations need motivated employees to ensure they stay efficient and effective achieving their set goals. This chapter presents the summary of the research findings on the non-financial incentive preferences among employees of the Norwegian government. The chapter is organized as such; the summary of findings is presented alongside a discussion and then closed off with a conclusions and recommendations.

#### 5.2 Summary of Major Findings and Discussions

The major findings of the present study are as follows

##### 5.2.1 Job Satisfaction

Results from the study showed that employees of the Norwegian public service were mostly satisfied with their jobs. The study also found that employees who received more non-financial incentives were more likely to be satisfied with their jobs. This relationship between non-financial incentive and employee satisfaction has been well established in literature (Gabriel & Nwaeke, 2015; Tausif, 2012). It therefore follows that non-financial incentives are a good means of employee motivation especially since financial rewards are often not available. This relationship was also found to be moderated by respondent's satisfaction with their salary implying that non-financial incentives, while effective, may not be adequate on its own to motivate employees. Again, this is supported by previous studies (Peterson & Luthans, 2006).

##### 5.2.2 Preferred non-financial incentives

This study sought to answer the question of what non-financial incentives the employees of the Norwegian public sector prefer. Findings revealed that employees most preferred performance feedback, participation in decision making and training. This study assessed the preference based on the different demographic results and found that preference for the different non-financial incentives was dependent on a host of factors such as gender, age amongst others. Gender was found to be a major covariate for non-financial incentive preference, Female respondents were

more likely to prefer such non-financial incentives as flexibility and participation in decision making while men preferred such incentives as autonomy. This difference in preference has been documented in literature (Amare, 2009; Erbas & Arat, 2012) This difference in preference is probably due to the need to fulfil gender roles. Women have been shown to tend to fulfill communal needs such as child care and others. This could explain their preference for flexibility and decision making, both of which allow them to fulfil communal needs. Men on the other hand are known to be agentic and as such their preference for autonomy.

In a similar light, preference for non-financial incentives also varied based on years of experience and age. Persons who were new in the organization were more interested in trainings than those who had been in the organization for longer. The reason for this is apparent since more experienced employees tend to need trainings less.

Job security was the least preferred non-financial incentive by study respondents. This is most likely because employees in public service feel less threatened vis-à-vis job security. The study however found that respondents with children were more likely to desire job security than those without children.

### **5.2.3 Relationship between variables**

The present study assessed the relationship between the different non-financial incentives. Findings revealed that preference for one non-financial incentive also implied preference for another. For example, findings revealed that persons who preferred flexibility were also likely to prefer a positive working environment and respect but not job security and training.

### **5.3 Conclusions and Recommendations**

The present study has shown that non-financial incentives are important to the employees of the Norwegian public service. The study also showed that preference for non-financial incentives was highly dependent on demographic factors. Following on these findings the researcher makes the following recommendations;

- The Norwegian government should put in place measures to regularly assess the performance of non-financial incentives in improving employee motivation. This would

help the government understand whatever issues there may be vis-à-vis employee performance.

- The Norwegian government should also intensify efforts towards non-financial rewards for her employees as this study has shown great preference for such by its employees. To do this, the government would need to enact policies that prioritizes employee satisfaction via non-financial rewards. These policies should also be constantly monitored and evaluated to ensure maximal effects. The government should also be flexible enough to make changes as the need arises in a bid to keep up with employee preferences.
- Prior to giving out non-financial incentives, managers should take such covariates as gender, age group and others into consideration to ensure a best fit for each employee and ultimately boosting productivity.
- Managers who provide one non-financial incentive should check for related incentives in a bid to providing them together to ultimately improve employee performance

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## Appendices

### Appendix One: Questionnaires

Section 1: Demographic Data

Directions: Please select option that best describes you.

**1. Gender:**

a. \_\_\_\_\_ Female. b. \_\_\_\_\_ Male.

**2. Age:**

a. \_\_\_\_\_ Less than 25. \_\_\_\_\_ 25-30. \_\_\_\_\_ 31-45. \_\_\_\_\_ 46-63. \_\_\_\_\_ More than 63.

**3. Do you have children?**

a. \_\_\_\_\_ yes. b. \_\_\_\_\_ No.

**4. What is your highest level of education?**

a. \_\_\_\_\_ High School. b. \_\_\_\_\_ Bachelor's Degree. c. \_\_\_\_\_ Master's Degree. d. \_\_\_\_\_ PHD.

**5. What is your position level?**

a. \_\_\_\_\_ operative. b. \_\_\_\_\_ Supervisor. c. \_\_\_\_\_ Department manager.  
d. \_\_\_\_\_ Director.

**6. How long have you worked at DFØ?**

a. \_\_\_\_\_ Less than 1-year. b. \_\_\_\_\_ 1-3 years. c. \_\_\_\_\_ 4-6 years.  
d. \_\_\_\_\_ 7-10 years. e. \_\_\_\_\_ More than 10 years.

**7. What department do you work in?**



**8. what is your employment situation?**

a. \_\_\_\_\_ permanent.      b. \_\_\_\_\_ Substitute.      c. \_\_\_\_\_ training.

**9. Have you worked somewhere else before?**

a. \_\_\_\_\_ yes.      b. \_\_\_\_\_ No.

## Section 2: incentives

1. What is the first word that comes to your mind when you think about non-financial incentives?

\_\_\_\_\_

\_\_\_\_\_.

2. If you could change one thing in your job, what would it be?

\_\_\_\_\_

\_\_\_\_\_.

## Section 3: What motivate you?

1. On a scale from one to five, how important are non-financial incentives in enhancing your enthusiasm?

1= Not at all	2 = Not Very much	3= Neutral	4 = Effective	5= Very Effective

2. Please indicate how strongly you agree or disagree with the statements below.

	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly satisfied
When I receive recognition, I am more motivated to perform better.					
If I am granted autonomy at work, I will exert more effort.					
Positive working environment is important for me to perform well on my job.					
Performance feedback boost my motivation to improve my skills.					
If I get Flexibility in work, I will be motivated.					
Participation in decision-making motivate me to perform better.					
Getting respect from my managers motivate me to do well.					
Providing me with job training, will make me more effective.					

Job security motivate me to higher performance.					
financial incentives will boost my motivation to work hard.					
I am willing to give up some non-financial incentive in order to get some financial incentives.					

Section 4: Employee satisfaction. Please answer the following questions about your job as honestly as you can.

1. How meaningful do you find your work?

1	2	3	4	5
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Not at all meaningful

Extremely meaningful

2. Do you feel like your opinions are listened to?

1	2	3	4	5
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Never

All the time

3. Do you receive performance feedback from your manager?

1	2	3	4	5
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Never

Very often

4. Does your manager show interest in your professional development?

1	2	3	4	5
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Not at all

Extremely






5. How satisfied are you with your salary?

1	2	3	4	5
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Not at all

Extremely

6. Overall, how satisfied are you with your job?

				
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